

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, August 22, 2007

ASSEMBLY BILL 127 GRANT INCREASE
PROJECT INFORMATION WORKSHEET

PURPOSE OF REPORT

To present the proposed Project Information Worksheet that will be used to gather data for the purpose of determining the annual increase or decrease to the New Construction Base Grant per Education Code (EC) Section 17072.11 and for bond accountability.

BACKGROUND

In early 2006, Staff attempted to gather data on current costs to build schools. At that time, Staff, with the assistance of the Grant Adequacy Ad Hoc Committee, developed a survey, and sent 231 surveys to school districts in March 2006. As reported to the State Allocation Board (SAB) in May 2006, 52 percent were returned, however, the majority were incomplete. Staff reported it would be unable to make conclusive recommendations regarding the adequacy of the grants absent comprehensive data.

In May 2006, Assembly Bill (AB) 127, Chapter 35, Statutes of 2006 (Perata/Nunez) added EC Section 17072.11 which provided for an increase of seven percent for elementary and middle school projects and a four percent increase for high school projects beginning July 1, 2006. AB 127 also stated that beginning January 1, 2008, the SAB has the authority to increase the base grant up to six percent or decrease it by an amount determined every fiscal year based on the current construction costs. This provision added further importance to Staff's need to gather data to enable making its recommendations to the SAB. As a result, Staff continued its work with the Grant Adequacy Ad Hoc Committee and developed a project information worksheet beginning in May 2006. Various drafts of this worksheet were presented to the SAB Implementation Committee beginning in July through September 2006.

In September 2006, the Board approved regulations to implement the grant increases for AB 127. Staff proposed correlating the annual recommended change in the base grant with the Construction Cost Index increase each year and developed regulations that clarify the SAB's flexibility when adjusting the new construction base grant. However, the proposed regulations were later withdrawn from the Office of Administrative Law (OAL) and cannot be resubmitted until a method to capture the current costs to build schools is approved by the SAB. As a result, the Project Information Worksheet was presented at the July 2007 SAB meeting. Following comments from Board members and the audience, the Board did not take action on the worksheet and requested that Staff continue to work with the stakeholders and bring back a revised worksheet to the August 2007 SAB meeting.

AUTHORITY

EC Section 17072.11(a)(3) states "the board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility....and the per-pupil cost of new school construction..."

EC Section 17072.11(b) states, "On or after January 1, 2008, the board shall increase or decrease the per-unhoused-pupil grant eligibility by amounts it deems necessary to cause the grants to correspond to costs of new school construction"

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STAFF COMMENTS

Staff, with the assistance with a wide range of stakeholders, has created a revised Project Information Worksheet as shown on the Attachment. The revised worksheet was presented at a special Implementation Committee meeting on August 20, 2007. During the Implementation Committee meeting, there was discussion on the certifications that were included on the Project Information Worksheet. Committee members noted that these certifications were embedded in the *Fund Release Authorization* and the *Expenditure Report*; therefore, the certifications are redundant and have been removed.

Districts will need to complete the worksheet for new construction projects and submit it with the *Fund Release Authorization* and/or the *Expenditure Report*. The worksheet requests information on actual project costs and provides the data necessary for Staff to analyze current school construction costs. The information collected will be used to make a recommendation to the Board to determine the increase/decrease in the new construction base grant and in providing bond accountability.

RECOMMENDATIONS

1. Approve the Project Information Worksheet as presented in the Attachment.
2. Authorize the Office of Public School Construction to re-file the Grant Increase regulations with the OAL.

BOARD ACTION

In considering this Item, the Board delayed action for 30 days.

INFORMATION

The information collected using this form is necessary in order to conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility and the per-pupil cost of new school construction for grades K-12 pursuant to Education Code Section 17072.11, and to meet the requirements for bond accountability.

INSTRUCTIONS

This worksheet must be completed and submitted with the *Fund Release Authorization* (Form SAB 50-05) for all new construction projects that are completing Part IV of the Form 50-05.

This worksheet must be completed and submitted with the *Expenditure Report* (Form SAB 50-06) for all new construction projects that have received a fund release pursuant to Part IV of the *Fund Release Authorization*.

Attach to this form the accepted bid documents including additive/deductive alternates.

Date Completed: Enter the date that the form was completed.

Application Number(s): Insert the application number provided by the Office of Public School Construction (OPSC). Include the project number(s) of any other associated State funded projects. (i.e. Joint-Use)

School District: Insert name of school district where project is located.

County: Insert name of county where project is located.

Project Tracking Number: Insert project tracking number provided by the OPSC, the California Department of Education (CDE), and the Division of the State Architect (DSA).

Project Name: Insert name of project (ex. – ABC Elementary School)

Indicate the time period this form was filled out by checking the appropriate box.

Project Funding

Please provide actual expenditures when available and estimates as necessary.

1. Check yes or no to indicate if this is a financial hardship project.
2. Funds available (include site acquisition). If the project includes square footage from other State funded projects (i.e. Joint-Use), report the funds available from that project.
 - a. Enter the actual amount of the State Apportionment for this project.
 - b. Enter the estimated or actual amount of interest earned on State funds for this project.
 - c. Enter the actual amount of the District Match for this project.
 - d. Enter the estimated or actual amount of any additional local (district) funds that were necessary to complete this State funded project.

Project Costs

Please provide actual expenditures when available and estimates as necessary.

1. Site Acquisition Costs
Enter the total cost for site acquisition, including State share, district share, and any additional local funds. Include any costs for environmental studies and fees.
2. Enter the amount of actual and estimated (not yet contracted, invoiced or obligated) soft costs for the project (i.e. tests and inspections, architect fees, etc.) *Do not include any costs reported in 4 below.*
3. Bid/Construction Contract Data. If the bid includes square footage for other State funded projects (i.e. Joint-Use), include all associated costs.
 - a. Enter the accepted base bid amount prior to any accepted additive/deductive alternates for all contracts. If there is more than one contract signed (i.e. multiple-prime, etc.) please enter the total of all base bids.
 - b. Enter the amount of all accepted additive/deductive alternates for all contracts.
 - c. Enter the amount of the total construction contract. Include the amount of any change orders or addendums, if applicable.
 1. Enter the amount of the building cost in the contract(s).
 2. Enter the estimated amount of the site development work, including service site, offsite, utilities, and general site, included in the contract(s).
 3. Enter the amount of any other construction fees (if applicable). If using construction management, enter any general condition fees in 5 below. *Do not include any costs listed in 5 below.*
4. Enter the amount of the estimated remaining project cost not yet contracted, invoiced or obligated (i.e. portions of work not yet bid, etc.) that are necessary for the completion of this project. *Do not include any costs reported in 2 above.*
5. Enter the amount of Construction Management Fees. If the project is being bid as multiple-prime, include costs for general conditions, etc. *Do not include any costs listed in 3(c)(3) above.*
6. Enter the actual or estimated amount for project contingencies.
7. Enter the actual or estimated amount for furniture and equipment.
8. Enter the amount of the Total Project Cost (do not include site acquisition costs). This amount should be equal to the sum of 2, 3c, 4, 5, 6 and 7 above.

Additional Bid Information

- Enter the number of bidders on this project. If more than one contract was signed for this project (i.e. Multiple-Prime) enter the average number of bidders per trade. Enter the date(s) the bid(s) opened. If more than one bid date, enter the opening bid date of the first bid package.
- Enter the number of times the project was re-bid, if applicable.
- Describe the additive/deductive alternates. Indicate whether they included facilities or building elements. If the additive/deductive alternate included buildings, please indicate the square footage.

Project Information

- Choose from the drop down menu the type of project that is being built (i.e. new school, addition, etc.)
- Choose from the drop down menu the type of school that best describes this project (i.e. elementary, middle, etc.)
- Select what outdoor facilities you have and how many of each are in the project. If the facility is considered multiple use, check the box that best represents what the facility will be used for the majority of the time. If the project consists of any other playfields not listed, check "other" and explain.
- Check the boxes of the grade levels of the pupils being served. Enter the number of pupils being served at each grade level.
- Enter the master plan site capacity of the project based on single-track use and local district loading standards. Based on teacher contracts and/or local loading standards this number **may be** different from the number of pupils requested on the *Application for Funding*.
- Enter the square footage of the parking structure (if applicable).
- Enter the total net usable site acreage of project.

Component Types:

- Choose all components that are included in the project. Include the number of each type of facility. (i.e. 12 standard classrooms, 4 labs, etc.) Indicate if there are any stand alone restroom buildings. If indicating “other” facilities, a detailed listing of those facilities is not required unless the facility being constructed is atypical or a non-standard facility. If so, then please explain.
- From the pull down menu, choose the main type of construction for each of the buildings in the project (i.e. permanent, modular, portable).
- Enter the square footage of each component that was in the DSA approved plans at the time the project was apportioned by the State Allocation Board.
- Enter the square footage of each component that is in the plans (including any adjustments for addendums or changes orders) when the district submitted its *Fund Release Authorization*. Indicate the square footage of any stand alone restroom buildings.
- Enter the estimated percentage of the project completed and the square footage for each component in the plans (including any adjustments for addendums or changes orders) for each annual reporting period, as applicable. The estimated percentage completed shall be the same as that which is reported on the *Expenditure Report*.

Total number of Classrooms

- Enter the total number of classrooms in the project.
 - From the total number of classrooms entered above, enter the number of classrooms that are considered stick-built.
 - From the total number of classrooms entered above, enter the number of classrooms that are considered permanent modular.
 - From the total number of classrooms entered above, enter the number of classrooms that are considered portable pursuant to Education Code Section 17070.15(j).

Total Square Feet All Facilities

- Enter the total building square footage for all facilities in the project. When calculating the square footage, include the total square footage identified on the DSA approved plans for all facilities. Be sure to use the same methodology when calculating square footage for each reporting period.
 - From the total square footage entered above, enter the amount of square footage that is considered stick-built.
 - From the total square footage entered above, enter the amount of square footage that is considered permanent modular.
 - From the total square footage entered above, enter the amount of square footage that is considered portable pursuant to Education Code Section 17070.15(j).

Total Building Cost (Per Square Foot)

- Enter the actual/estimated cost per square foot. To determine the cost per square foot, divide the total building cost, excluding site acquisition and site development costs (service site, off-site, utilities, parking structures, and general site) by the total building square footage as reported.

Joint-Use Information

- Check yes or no to indicate whether the project includes a joint-use partner, even if the joint-use project does not include State funding. Enter the OPSC application number if applicable.
- Check the appropriate box to indicate which type of joint-use partner is included in the joint-use project.
- Check yes or no to indicate whether the joint-use partner is contributing capital funding towards this project. If applicable, enter the dollar amount the joint-use partner is contributing.
- Check which facility(ies) are part of the joint-use project. If other is chosen, please explain the type of joint-use project.

Additional Information

Check yes or no to indicate if the bid includes any facilities or other construction that has not yet been identified. If yes, explain what those facilities or construction include.

Indicate what facilities, if any, that were included in the State Allocation Board approved project that were not built or if any facilities were added. Provide a brief explanation as to why they were not built or were added. Please ensure that you contact the CDE, the DSA, and the OPSC for assistance.

- Check yes or no to indicate if the facilities are intended to be deferred to a later phase. If yes, please explain.

Check yes or not to indicate whether the project was modified due to cost. If, yes explain briefly what measures were taken (i.e. from permanent classrooms to portable or if the project was reduced in scope, etc.)

- Check yes or no to indicate whether any change in the project's scope was discussed with the CDE, the DSA, and the OPSC.

Check yes or no to indicate whether or not there were any local requirements or ordinances the district had to meet that were not funded with State funds (i.e. road or street improvements, utilities, or fees demanded by another local agency, etc.)

- Check yes or not to indicate whether or not these costs were included in the construction contract.
- If yes, describe the local requirement and the associated costs.

Check yes or no to indicate whether or not you utilized existing architectural plans from another project.

- If yes, indicate how many times the plans have been re-used within the district. Indicate the name of the project(s).
- Enter the building cost of the original project, if known. Enter the Site Development cost (service site, offsite, utilities, general site) of the original project, if known.
- Enter the notice of completion date for the original project.

Comments/Additional Information

Please provide any additional information about this project that you think will be helpful in completing the analysis.